

Message Text

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21

ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 CIAE-00 INR-07 NSAE-00 /027 W

----- 114443

R 291448Z JUL 75

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 2736

INFO USDOC WASHDC

UNCLAS MOSCOW 10623

USDOC FOR BEWT/DOWNEY

E.O. 11652 N/A

TAGS: BGEN, BTRA, UR

SUBJ: US BUSINESS PRESENCE IN USSR

REF: STATE 176236

1. COMMERCIAL OFFICE RECORDS OF AMERICANS OR THIRD-COUNTRY NATIONALS WORKING FOR US FIRMS IN USSR COMPLETE AND UP-TO-DATE ONLY TO EXTENT THESE REPRESENTATIVES CHECK IN WITH EMBASSY, AND THERE ARE UNDOUBTEDLY

MANY WHO DO NOT. FURTHERMORE, AT SOME PROJECT SITES THERE IS FREQUENT TURNOVER OF FOREIGN SPECIALISTS WHO STAY FOR ONLY 4-6 WEEKS. FOLLOWING IS, THEREFORE, PROBABLY UNDERSTATEMENT OF US BUSINESS PRESENCE IN USSR. (THIS REPORT ALSO DOES NOT TAKE INTO ACCOUNT THE 32 REPRESENTATIVES WORKING AT THE 19 ACCREDITED US BUSINESS OFFICES IN MOSCOW.)

2. KAMA RIVER TRUCK PLANT (NABEREZHNIYE CHELNIY). AMONG THE APPROXIMATELY 250 WESTERN SPECIALISTS WORKING AT KAMAZ -- AND LIVING AT THE SPECIALLY CONSTRUCTED "DOM INOSTRANKH SPETSIALISTOV" -- ARE AT LEAST 20 REPRESENTATIVES OF US FIRMS. INGERSOLL MILLING MACHINE CURRENTLY HAS EIGHT MEN (5 AMERICANS, 3 BRITISH) AT KAMAZ WHO WILL REMAIN THROUGH 1975. SWINDELL DRESSLER, THE PRIME CONTRACTOR FOR KAMA FOUNDRY, PRESENTLY HAS ONLY ONE SPECIALIST THERE, BUT 7 MORE WILL BE ARRIVING IN MID-AUGUST FOR TOURS OF 6 MONTHS TO ONE YEAR. THREE REPRESENTATIVES OF CLEVELAND CRANE -- TWO WITH WIVES -- ARRIVED AT NABEREZHNIYE CHELNIY THIS

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MONTH FOR A STAY OF 5 MONTHS. CM SYSTEMS (DIVISION OF CRANK-

SHAFT MACHINE CO.) HAS 4 MEN AT KAMAZ ON A 6-WEEK PROJECT. LA SALLE MACHINE TOOL CO. WITH 3 MEN AND PRATT AND WITNEY WITH ONE MAN -- LENGTHS OF STAY NOT KNOWN -- COMPLETE THE US PRESENCE.

3. KOSTROMA (AUTOMOTIVE PARTS PLANT). LA SALLE MACHINE TOOL CO. HAS HAD ONE MAN (WITH WIFE) AT KOSTROMA SINCE SEPTEMBER 1974 FOR A YEAR AND 2 MORE WHO ARRIVED IN JUNE 1975 FOR A 2-MONTH STINT.

4. GAZ PLANT (GORKIY). ENTREKIN COMPUTER DIVISION OF CUTTER HAMOMER SENT ONE MAN FOR 8 WEEKS IN MAY 1975 AND CROSS CO. SENT ONE IN JUNE 1975, DURATION UNKNOWN.

5. ORENBURG PIPELINE. TO OUR KNOWLEDGE THERE IS AT PRESENT ONLY ONE AMERICAN SPECIALIST (INTERNATIONAL HARVESTER) AT ORENBURG, BUT WHEN CONSTRUCTION GETS INTO FULL SWING IN 1976, THERE WILL UNDOUBTEDLY BE MANY MORE WORKING AT VARIOUS STATIONS ALONG THIS LINE.

6. PECHENGA (CUPRO-NICKEL MINE). UNIT RIG, WABCO AND GM (TEREX) HAVE HAD SPECIALISTS AT THE PECHENGA SITE FOR PERIODS OF 3-4 WEEKS DURING 1975.

7. VENTSPILS (AMMONIA PIPELINE AND PORT FACILITIES). OCCIDENTAL PETROLEUM EXPECTS THE FIRST GROUP OF AMERICAN SPECIALISTS TO ARRIVE IN USSR THIS WEEK AND BY FALL 1975 THERE WILL BE AS MANY AS 50-60 AT THE VENTSPILS SITE. CONSTRUCTION OF THE SECOND SITE AT ODESSA WILL PROBABLY NOT BEGIN UNTIL 1976, BUT RECRUITMENT OF AMERICANS FOR THE JOB HAS BEEN UNDERWAY FOR SEVERAL MONTHS.

8. SUSUMAN. FIAT-ALLIS SENT SOME 10 TECHNICIANS TO FAR EAST GOLD FIELDS NEAR SUSUMAN (NORTH OF MAGADAN) TWO MONTHS AGO TO PUT 524-HP TRACTORS INTO OPERATION AND TRAIN SOVIET OPERATORS. ESTIMATED STAY 3-4 MONTHS.

9. MOST AMERICAN SPECIALISTS AT SOVIET PROJECTS ARE ENGINEERS WHO ARE SENT BY FIRM ACCORDING TO TERMS OF CONTRACT TO SUPERVISE DELIVERY AND INSTALLATION OF FIRM'S EQUIPMENT AND TO TRAIN SOVIET ENGINEERS/TECHNICIANS IN OPERATION, MAINTENANCE
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AND REPAIR. (CONTRACT BETWEEN GOULD AND STANKOIMPORT FOR CONSTRUCTION BEARING PLANT IN DMITROVGRAD -- COPY OF WHICH SENT TO BEWT/TDAD/STEIN -- PROVIDES GOOD EXAMPLE OF PROVISIONS FOR ON-SITE TRAINING AND SUPERVISION BY US SPECIALISTS.)

10. AMERICANS WHO HAVE BEEN WORKING AT KAMAZ REPORT THAT TECHNICAL COOPERATION BETWEEN FOREIGN SPECIALISTS AND THEIR SOVIET COUNTERPARTS HAS BEEN EXCELLENT. WHILE ISOLATION OF

FOREIGNERS AND RESULTING BOREDOM CAUSES SOME PROBLEMS, US
REPS FEEL THAT SOVIET AUTHORITIES TRY TO PROVIDE HOUSING AND
FOOD WHICH IS WELL ABOVE LOCAL STANDARDS. THEY ALSO EMPHASIZE
IMPORTANCE OF CAREFUL SELECTION FOR THESE ASSIGNMENTS, NOTING
THAT SOME WEST EUROPEAN FIRMS HAVE SUFFERED FREQUENT TURN-OVER
DUE TO HIRING OF INDIVIDUALS CLEARLY NOT SUITED FOR RIGORS OF
LIFE IN SOVIET HINTERLAND.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 29 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MOSCOW10623
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750262-0005
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750713/aaaaalfd.tel
Line Count: 123
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 176236
Review Action: RELEASED, APPROVED
Review Authority: hartledg
Review Comment: n/a
Review Content Flags:
Review Date: 07 JAN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07 JAN 2003 by ThomasVJ>; APPROVED <02 FEB 2004 by hartledg>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US BUSINESS PRESENCE IN USSR
TAGS: BGEN, BTRA, UR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006